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Connecticut State Medical Society

Senate Bill 393 An Act Concerning Standards in Health Care Provider Contracts

Insurance and Real Estate Committee

March 9, 2010

Senator Crisco, Representative Fontana and Members of the Insurance and Real Estate Committee, on behalf of the more than 7,000 members of the Connecticut State Medical Society (CSMS) thank you for the opportunity to present this testimony to you today in support of **SB 393 An Act Concerning Standards in Health Care Provider Contracts**. We sincerely thank Chairmen Crisco and Fontana and members of the Committee such as Representative Schofield for their efforts past and present to develop a consensus on issues aimed at strengthening the health care contracting process between all health care providers and Insurers in this state.

The language before you today represents a working draft and a continuation of efforts to appropriately address contracting and reimbursement issues raised by physicians throughout the state. We appreciate discussions facilitated by the chairmen and the willingness of insurance industry representatives to participate and attend to these concerns. We fully believe that final language will be in the best interest of not only physicians but the patients they serve.

Section 1 attempts to alter the states timely payment statutes to acknowledge the movement in healthcare to the electronic submission of claims. This allows for a more efficient and effective process. Language in this section should ultimately establish timeframes that recognize and reflect this shift and incentivize further implementation of electronic claims systems.

A concern exists among physicians regarding contracting procedures that allow insurers to require participation in any future product developed by the insurer. Section 2 will attempt to provide an opportunity for physician to determine whether or not a product is appropriate for their practice and allow for individual determination on participation. We understand concerns raised by insurers regarding the cost to potentially re-credential or re-contract with the establishment of new products. We believe certain methods exist such as allowing existing credentialed providers to "opt-in" to future products and will continue discussions to develop appropriate methods.

All citizens who purchase health insurance deserves to know that an adequate network will exist when seeking care both primary and specialty. Additionally, the Commissioner of the Connecticut Insurance Department (CID) should be granted the authority to ensure that such vibrant networks exist. Although

insurers must meet the standards of certain national entities for accreditation, it is critical that we ensure such standards are appropriate for Connecticut. Section 3 will attempt to accomplish this goal

Sections 4 and 5 attempt to address ongoing issues that are increasing in their harm to physicians. Prior-Authorization is a process in which physicians obtain authorization to perform services or surgery prior to delivering the care. However, in some instances and for various reasons, services previously authorized are denied coverage by insurers. These sections will hopefully ensure that any procedure appropriately authorized is reimbursed.

Thank you for the opportunity to present this testimony for you today. We fully expect that this legislation will increase transparency in the contracting process between health care providers, health plans and other entities. We look forward to continuing our work on SB 393.